ECONOMIC IMPACT ANALYSIS FOR MISSOURI
NEW MISSISSIPPI RIVER BRIDGE PROJECT

The New Mississippi River Bridge Project will impact Missouri with the construction of several transportation improvement activities. The construction phase impact is calculated for fiscal years 2005 through 2012. The operations phase impact is calculated for fiscal years 2013 through 2049.

Over the next 45 years, every dollar of project investment returns (benefit-cost ratio):

8.55 : 1.00 in new net general revenues totaling $284.5 million*
7.31 : 1.00 in new personal income totaling $6.6 billion
16.69 : 1.00 in new value-added (GSP) totaling $15.2 billion
29.66 : 1.00 in new economic activity (output) totaling $27 billion

On average each year, the project creates 2,490 new jobs annually paying an average wage of $42,834 per job, generates $6.3 million in new net general revenues annually, $147.7 million in new personal income annually, $337.3 million in new value-added to the economy annually, and $600 million annually in new economic activity.

** Based on Missouri General Revenue investment, not total project investment.*

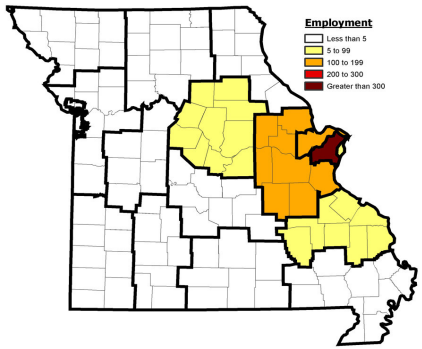
ECONOMIC IMPACT IN MISSOURI (in Millions)

	CONSTRUCTION	OPERATIONS	TOTAL
GENERAL REVENUE	$12.792	$271.677	**$284.469**
PERSONAL INCOME	$278.795	$6,367.414	**$6,646.209**
VALUE-ADDED / GSP	$405.186	$14,771.864	**$15,177.051**
ECONOMIC OUTPUT	$744.128	$26,237.849	**$26,981.977**

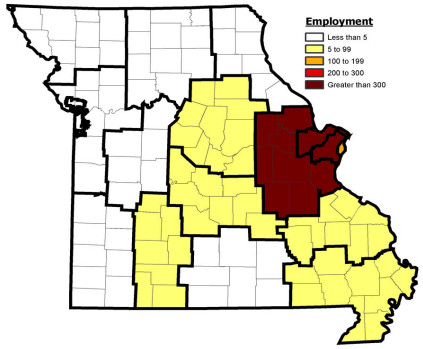
AVERAGE ANNUAL ECONOMIC IMPACT IN MISSOURI

2,490	new JOBS each year paying an avg. wage of $42,834
$6.322	million new GENERAL REVENUES each year
$147.694	million new PERSONAL INCOME each year
$337.268	million new VALUE-ADDED / GSP each year
$599.599	million new ECONOMIC OUTPUT each year

CONSTRUCTION PHASE 2005-2012



OPERATIONS PHASE 2013-2049



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ECONOMIC IMPACT ANALYSIS FOR MISSOURI
NEW MISSISSIPPI RIVER BRIDGE PROJECT

Project Overview

The New Mississippi River Bridge project is a group of transportation improvements that includes a new bridge, re-alignment of Interstate 70, new interchanges, and other related projects. Improvements are aimed at increasing safety, reducing traffic congestion, and supporting the ongoing economic development goals of the St. Louis region and Missouri. In this study, the cost of the bridge would be financed by assessing toll fees for the use of the bridge. Tolling would require legislative approval.

MoDOT Map showing I-70 re-alignment, new I-70 interchanges and new bridge location

MoDOT Computer Simulation of New Bridge

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New MISSISSIPPI RIVER BRIDGE PROJECT

The Current Situation and the New Mississippi River Bridge

Presently, there is one interstate crossing the Mississippi River in downtown St. Louis; the Poplar St. Bridge. It handles traffic from Interstates 55, 64, and 70. According to MoDOT planners, the Poplar St. Bridge is severely overburdened. The 2-mile approach from the Illinois side adds to the congestion with the convergence of three interstates. MoDOT projections show that severe traffic congestion is likely by the year 2020, without improvements to the transportation network. Rush-hour congestion could double and last up to three hours. The average delay would increase from 10 minutes per vehicle today to 55 minutes per vehicle by the year 2020.

The proposed new bridge would host Interstate 70, one of three primary east-west interstate highways in the country. The cable-stayed bridge would be designed to carry eight lanes of traffic and be located approximately one mile north of the Dr. Martin Luther King Bridge. MoDOT believes that future traffic capacity can only be met with a new eight-lane bridge and is considering many funding options including the use of toll fees.

Bridge Location Map

The Tolling Option

Tolling allows a “pay-for-use” funding approach for the new bridge. Missouri would benefit from improved transportation without accruing debt for the construction of a new bridge. Toll fees would be collected to pay for the bridge over an extended time period. Other states in addition to Missouri are considering public-private partnerships to fund improvements as transportation needs outpace state budgets. Currently there are twenty-three urban interstate toll bridges in the U.S. The closest example is Chicago’s Skyway toll bridge which charges $2.50 for cars and $8.40 for 5-axle trucks. It is conservatively assumed that the toll cost of a new bridge in St. Louis would be in line with these figures. Working commuters may pay less by using discount electronic passes which are common in urban toll situations. The availability of three other bridges in the downtown would give local users more options for travel and keep downward pressure on toll fees.

MoDOT

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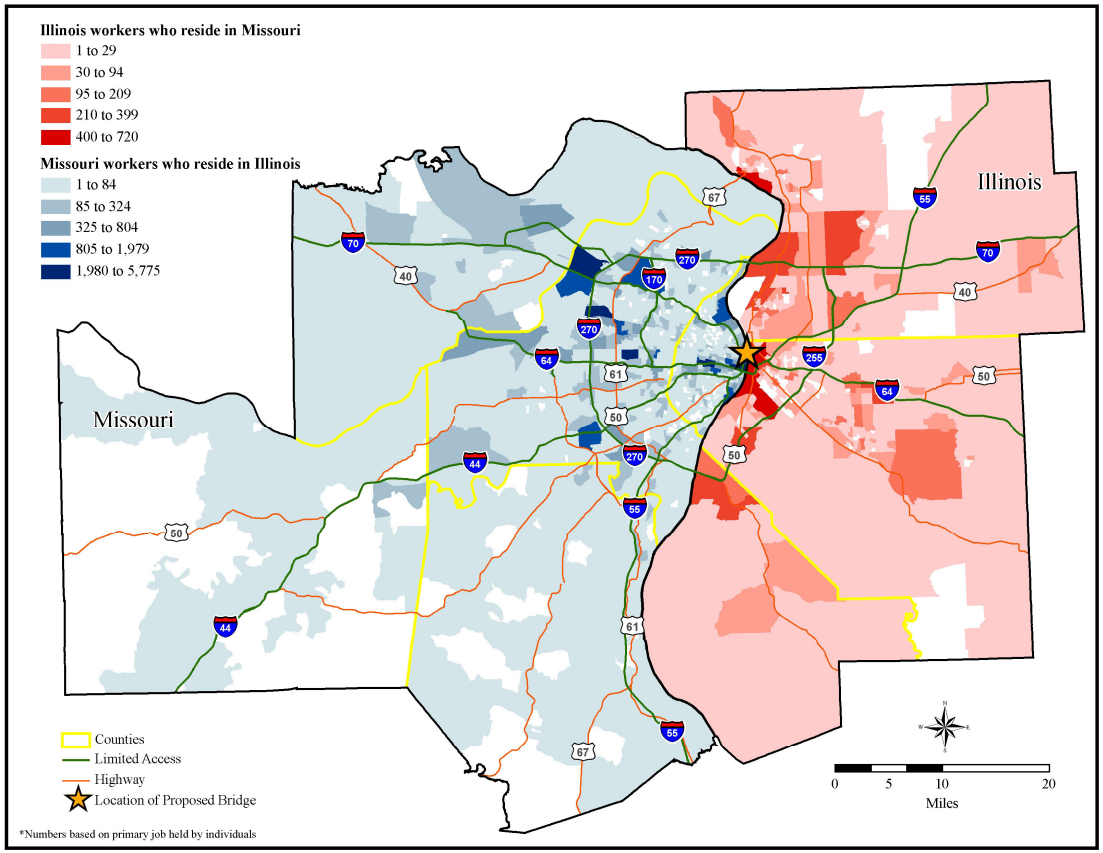
New Bridge Users

Roughly 80% of new bridge traffic would come from working commuters and from local business and personal trips. The remaining 20% is comprised of truck and pass-through traffic. MERIC utilized employment and census data to better understand which commuters are likely to use a new bridge. The study focused on the eight-county St. Louis metro planning region; the East-West Gateway. Approximately 86,000 Illinois residents have primary jobs on the Missouri side of the region, representing 30% of jobs held by Illinois residents in 2003. By contrast, only 12,000 Missourians held primary jobs in Illinois, representing 1.5% of jobs held by Missourians in the region. **Map 1: Cross State Line Commuters** illustrates the concentration of workers that cross state lines for employment. In other words, where workers are employed who reside in the adjacent state.

Map 2: Missouri Residents that Work in Illinois shows where Missouri residents live that have primary jobs in Illinois. Much of the Missouri resident population is located near or outside the I-270 beltway. The distribution of the jobs in Illinois, coupled with where those job holders reside in Missouri, suggests that Missourians have a variety of alternative routes for their work commute.

Map 1: Cross State Line Commuters



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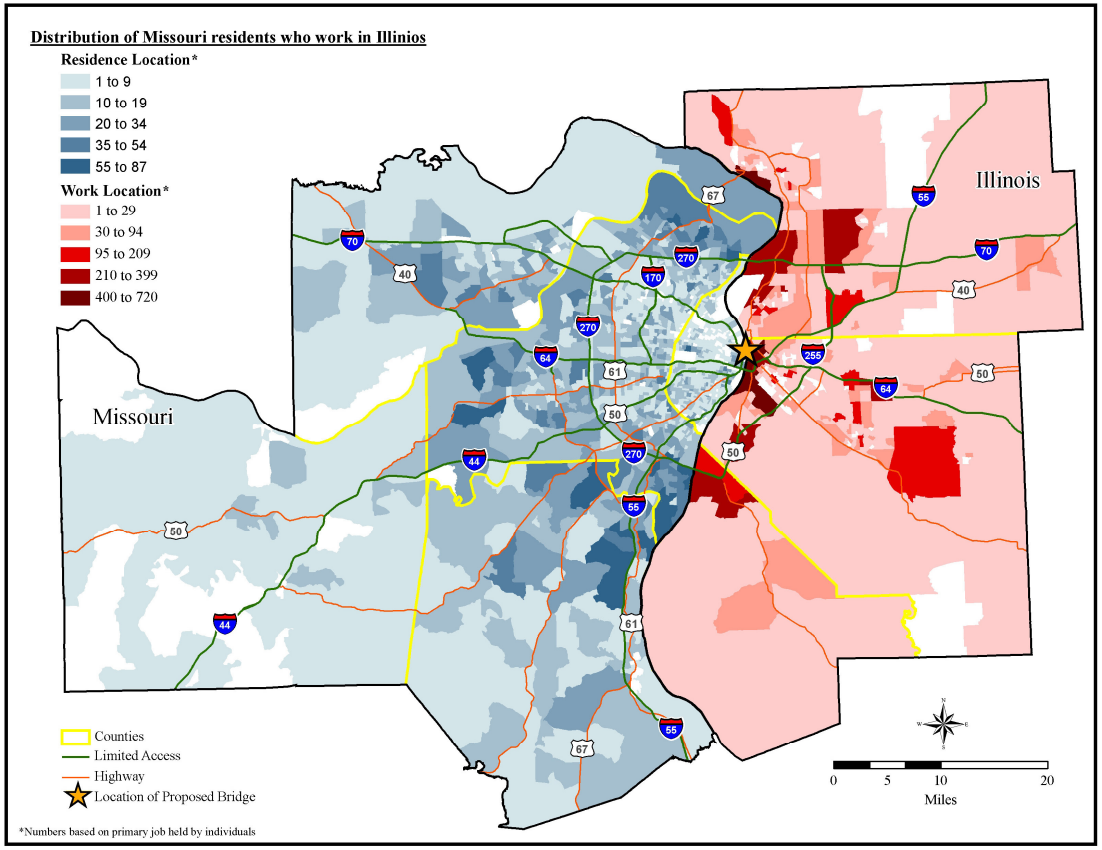
Illinois work commuters appear to benefit the most from construction of a new bridge. The larger number of Illinois residents that commute to Missouri will see reduced travel times regardless of which bridge is chosen, due to dispersed traffic flows. Illinois commuters will also pay the majority of tolls. Regardless of trip origin, local travelers will be able to choose which bridge to use by weighing the benefits of time savings versus toll fees.

Methodology

This impact study was conducted using the Regional Economic Models Incorporated (REMI) economic model. Impact analysis assumptions included information such as projected traffic count, origination information and recent employment data.

Map 2: Missouri Residents that Work in Illinois



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Impact Analysis Assumptions

MISSISSIPPI RIVER BRIDGE

- Engineering costs of $53,140,000. Missouri firms capture $0, assuming a non-Missouri firm is the prime contractor.
- Utilities relocation costs of $9,000,000. Missouri firms capture $2,250,000, assuming subcontracting split of 75% IL and 25% MO based on regional purchase coefficients.
- Land acquisition costs of $3,400,000. Missouri firms capture $60,000, assuming $1,000,000 in MO land acquisition costs and a 6% real estate transaction fee.
- Construction costs of $453,697,000. Missouri firms capture $340,272,750, assuming subcontracting split of 75% MO and 25% IL based on regional purchase coefficients.

ILLINOIS ROADWAYS

- Engineering costs of $17,315,000. Missouri firms capture $0, assuming a non-Missouri firm is the prime contractor.
- Utilities relocation costs of $6,000,000. Missouri firms capture $0 based on location of work.
- Land acquisition costs of $22,300,000. Missouri firms capture $0 based on location of work.
- Construction costs of $178,274,000. Missouri firms capture $44,568,500, assuming subcontracting split of 75% IL and 25% MO based on regional purchase coefficients.

MISSOURI ROADWAYS

- Engineering costs of $13,630,000. Missouri firms capture $13,630,000, assuming a Missouri firm is the prime contractor.
- Utilities relocation costs of $4,477,000. Missouri firms capture $4,477,000 based on location of work.
- Land acquisition costs of $19,380,000. Missouri firms capture $1,162,800, assuming $19,380,000 in MO land acquisition costs and a 6% real estate transaction fee.
- Construction costs of $128,952,000. Missouri firms capture $96,714,000, assuming subcontracting split of 75% MO and 25% IL based on regional purchase coefficients.

BUSINESS AND COMMUTER IMPACTS

- Reduced business production costs of $268,122,000. Missouri firms capture $214,500,000 based on employment shares and national FHWA production cost factors distributed by specific industry.
- Increased business costs of $13,899,600. Missouri firms incur $11,119,680 based on MoDOT truck traffic counts and assuming an average toll of $9.00.
- Increased commuter costs of $22,431,000. Missouri commuters incur $9,465,000 based on MoDOT car traffic counts assuming an average toll of $2.50.

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